

You receive ~8% more in benefits
for each year you delay starting Social Security

Your monthly Social Security benefit is based on your annual Social Security income – wages and self-employment income subject to SS tax – for your highest 35 earning years. Your past annual earnings are adjusted for inflation. This total income for the 35 years is divided by 420 (35 years * 12 months) to get your Average Monthly Indexed Earnings (AIME).

AIME is weighted to get your full benefit or Primary Insurance Amount (PIA) that you receive in the month that you reach Full Retirement Age (FRA). FRA is age 67 for those born after 1956.

The formula replaces a greater portion of historical wages for those with lower incomes. PIA for a person who reached age 62 in 2025 replaces 90% of the first ~\$14,700 annual AIME, 32% of the next ~\$74,000, and 15% of the balance.

Your PIA and SS benefit is adjusted for inflation each year. It maintains the same spending power.

You are eligible to start SS at age 62. If you start SS early – before the month you turn 67 – you receive a less of a benefit – less than your PIA.

If you delay SS, you receive more of a benefit. You reach maximum benefit at age 70.

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You gain about 7.5% greater annual benefit each year that you delay SS.			
Full Retirement Age = 67 for those born after 1960.			
Age	Percent of PIA	Percent of Maximum	Real Annual increase by waiting
62	70%	56%	
63	75%	60%	7.1%
64	80%	65%	6.7%
65	86.67%	70%	8.3%
66	93.33%	75%	7.7%
67	100%	81%	7.1%
68	108%	87%	8.0%
69	116%	94%	7.4%
70	124%	100%	6.9%
Average			7.4%
Increase for delaying is 2/3% per month of PIA.			
Decrease for taking SS early is 5/9% per month of PIA for first 36 months early and 5/12% per month for earlier months			

Column 2 shows the annual percentage you receive relative to your benefit at age 67.

Column 3 shows the percentage you receive relative to the maximum at age 70.

Column 4 shows the annual percentage increases average about 7.5%.

I used “~8% increase” in the description on the blog post, but my calculation of the return rates assumed 7.4% annual increase.